

AN ACT

relating to licensing of escrow officers.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 2652.051, Insurance Code, is amended by amending Subsection (c) and adding Subsection (d) to read as follows:

(c) The completed application must state that:

(1) the proposed escrow officer is an individual who is a bona fide resident of:

(A) this state; or

(B) a state adjacent to this state;

(2) the proposed escrow officer is an attorney or is a bona fide employee of:

(A) an attorney licensed as an escrow officer; or

(B) a title insurance agent or direct operation;

(3) the proposed escrow officer has reasonable experience or instruction in the field of title insurance; ~~and~~

(4) the title insurance agent or direct operation does not know of any fact or condition that disqualifies the proposed escrow officer from receiving a license; and

(5) the proposed escrow officer is a bona fide employee of a title insurance agent or direct operation with an office in this state.

(d) Notwithstanding Sections 406.004 and 406.020,

1 Government Code, a person qualified under this section as an escrow
2 officer may hold a license and operate as a notary public under
3 Chapter 406, Government Code.

4 SECTION 2. Section 2652.103, Insurance Code, is amended to
5 read as follows:

6 Sec. 2652.103. AMOUNT OF BOND OR DEPOSIT. (a) The amount
7 of the bond or deposit required under this subchapter is determined
8 by multiplying the number of escrow officers employed by the title
9 insurance agent or direct operation by:

10 (1) \$5,000 for an application of an individual who is a
11 bona fide resident of this state; or

12 (2) \$10,000 for an application of an individual who is
13 a bona fide resident of a state adjacent to this state.

14 (b) Notwithstanding Subsection (a), [~~except that~~] the
15 maximum amount of the bond or deposit required under this
16 subchapter is \$50,000.

17 SECTION 3. Section 2652.201, Insurance Code, is amended to
18 read as follows:

19 Sec. 2652.201. GROUNDS FOR LICENSE DENIAL OR DISCIPLINARY
20 ACTION. (a) The department may deny an application for a license
21 or discipline an escrow officer under Sections 4005.102, 4005.103,
22 and 4005.104 if the department determines that the applicant or
23 license holder has:

24 (1) wilfully violated this title;

25 (2) intentionally made a material misstatement in the
26 license application;

27 (3) obtained or attempted to obtain the license by

1 fraud or misrepresentation;

2 (4) misappropriated or converted to the escrow
3 officer's own use or illegally withheld money belonging to a title
4 insurance agent, direct operation, or another person;

5 (5) been guilty of fraudulent or dishonest practices;

6 (6) materially misrepresented the terms and
7 conditions of a title insurance policy or contract; or

8 (7) failed to complete all educational requirements.

9 (b) The department may not deny an application for a license
10 or discipline an escrow officer under Section 4005.102, 4005.103,
11 or 4005.104 solely because the individual resides in an adjacent
12 state and acts as an escrow officer in this state as a bona fide
13 employee of a title insurance agent or direct operation in this
14 state.

15 SECTION 4. This Act applies to an application to act as an
16 escrow officer that is filed with the Texas Department of Insurance
17 on or after the effective date of this Act. An application filed
18 before that date is governed by the law in effect on the date the
19 application was filed, and the former law is continued in effect for
20 that purpose.

21 SECTION 5. This Act takes effect September 1, 2009.

President of the Senate

Speaker of the House

I certify that H.B. No. 652 was passed by the House on April 9, 2009, by the following vote: Yeas 148, Nays 0, 1 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 652 was passed by the Senate on May 13, 2009, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor